GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:4229
ANSWERED ON:18.12.2001
NRI AND OCB INVESTMENT
GUNIPATI RAMAIAH

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether it is a fact that NRI/OCB investment is being treated as foreign investment in the case of Air India while it is being treated at par with resident Indian investment in Indian Airlines and in other industries; and

(b) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) & (b) The investment by NRIs/OCBs in the case of Indian Airlines has been set out in keeping with the Foreign Direct Investment(FDI) policy for domestic airlines sector, which is as under:

`
(i) FDI upto 40% permitted subject to no direct or indirect equity

(ii) 100% investment by NRIs/OCBs.

(iii) The automatic route is not available.`

There is no corresponding FDI policy with respect to foreign investment in non-domestic airline such as Air India.The decision of the Government to regard NRI/OCB holdings as `foreign holding` for the Air India disinvestment is a policy decision, which has been taken after due consideration of relevant factors, including an analysis of earlier precedents in the insurance and telecom sector(s).